



THE JOHN E. ANDERSON
GRADUATE SCHOOL OF MANAGEMENT
AT UCLA

No: 95-0701-HPCES
July 10, 1995

*Katherine Schlesinger
prepared this case study
under the editorial direction
of **Anthea Raymond** using
information gathered from
published sources, and from
interviews with theater
company executives.
The case has been revised and
re-edited by
K. Thomas Chandy and is
published jointly by the UCLA
Center for Arts and
Entertainment Management
and UCLA's Harold Price
Center for Entrepreneurial
Studies. It is intended as a
basis for class discussion
rather than to illustrate either
effective or ineffective
handling of an administrative
situation.
We gratefully acknowledge
the assistance of
Mrs. Joseph Papp in the
preparation of this case study*

JOSEPH PAPP

AND

THE NEW YORK SHAKESPEARE FESTIVAL (A)

A Case Study



INTRODUCTION	1
EARLY HISTORY OF THE NYSF	2
A Permanent Theater in Central Park	3
Initial Organizational Structure	5
GROWTH OF THE NYSF	5
The Public Theater	6
Expanding the Artistic Mission	7
The NYSF and Commercial Enterprise	8
Programming, Administrative and Fixed Assets Growth	9
Budgets	10
Revenues, Public and Government Support	11
Board Designated Reserve and Endowment Funds	12
ARTISTIC VISION AND MANAGEMENT	13
The Staff	13
Artistic Colleagues	13
Artistic Decision-Making and Management	14
Governance	15
CRISES OF THE 80'S AND 90'S	16
Responding to the Financial Crisis	17
Artistic Challenges	18
PLANNING FOR SUCCESSION	19
Alternative Succession Strategies	20
Transition towards Succession	22
The Board and Executive Advisory Committee	24
CONCLUSION: FINAL SUCCESSION OPTIONS	25
APPENDICES AND EXHIBITS	26
A. Exhibits:	27
1. NYSF Sources of Revenue 1989-1991	28
2. NYSF Financial Summaries, Years Ending 6/30/77 and 6/30/83	29
3. NYSF Functional Expenses 1989- 1991	30
4. NYSF Notes 10, 11 and 12 to the Financial Statements August 31, 1991:	32
5. NYSF Statement of Revenue, Expenses, Public Support, Capital Additions and Changes in Fund Balances Year ending August 31, 1991 with comparative totals for 1990	33
6. NYSF Statement of Total Programming Services Year ending August 31, 1991 with comparative totals for 1990	34
7. NYSF Statement of Functional Expenses Year ending August 31, 1991 with comparative totals for 1990	35
8. NYSF Statement of Cash Flows Year ending August 31, 1991 with comparative totals for 1990	36
B. NYSF Program Highlights, 1954-1988	38
C. Public Theater Pass-Holder Flyer, 1985	40
D. NYSF Broadway, Film, Video and Television Productions	41



E. NYSF Board of Trustees, 1984, 1990 & 1991.....	46
F. Shakespeare Marathon Subscription Series Flyer, 1987	48



Some time during the early months of 1987 Joseph Papp, Founder and Producer of the New York Shakespeare Festival (NYSF), received a call from Wilford Leach, Artistic Director of the NYSF and Papp's heir apparent. Leach, in London directing *The Mystery of Edwin Drood*, was calling to tell Papp that he was ill with a bronchial infection. Papp told him to take whatever time he needed to get well and pushed the conversation to the back of his mind.¹ Papp too was not feeling well, complaining for months of aches in his ribs and back, but had put off seeing a doctor due to his heavy schedule.² However, when he went in for his annual physical on April 1, 1987 "he was worried more about Leach than himself."³ He was sixty-six and expected to be told to slow down. Instead, his doctor found a lump in his prostate gland. Tests indicated cancer. He started treatment with Dr. Marc Garnick, prostate cancer specialist at the Dana-Farber Cancer Institute, Boston. Garnick's tests showed that the cancer had metastasized extensively, "one of the most advanced states of prostate cancer he had ever seen at first consult."⁴ Papp could be dead in six months. By April 26, Garnick had him on an experimental, high risk treatment to which he, fortunately, responded extremely well. So much so that on May 6, Papp and his wife Gail Merrifield Papp flew to London to attend the press opening of *Drood*. When he arrived, Papp learned that Leach had

turned the show over to choreographer Graciela Daniele and disappeared. For two weeks, no one was able to find him. Then he surfaced in a Manhattan hotel where he had checked in under another name. Leach had AIDS. He was no longer able to direct a show. He could no longer function as the Festival's Artistic Director.⁵

Papp's carefully laid out succession plan had suddenly evaporated. He confronted anew the prospect of selecting a successor, a decision now critical to the future of the entire organization since, by August 1991, it was clear that Papp's cancer was terminal. He had been absent from the theater for several months. Selecting a successor had become imperative.

¹ Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 419

² Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 418

³ Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 419

⁴ Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 419

⁵ Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 423-424



The New York Shakespeare Festival was regarded as "one of the country's most productive and prestigious non-profit theater arenas."⁶ Over the years, Papp's sense of showmanship and deft handling of the press had made the NYSF synonymous with theater in America. As its founder and sole artistic leader for over 36 years, Papp had produced over 400 plays and musicals, winning 28 Tony awards, 3 Pulitzer Prizes and nearly 100 Obie Awards. The NYSF had sent 22 productions to Broadway, providing the organization with unprecedented recognition, revenue, and subsequently, artistic freedom. He had presented free *Shakespeare in the Park* since 1957, and had turned the Festival's flagship, The Public Theater, into the nation's premier venue for the production of new plays and the reinterpretation of classic works.

A charismatic and persuasive figure, Joseph Papp was known as a risk-taker. His aesthetic sensibility, reflected in his out-spoken politics which were decidedly anti-establishment, was "always at odds with orthodox sensibility. His productions challenged such values and many of them stirred public controversy."⁷ However, they also appealed to a broad audience.

His uncanny ability to convince others to commit themselves and/or their resources had been essential to the NYSF's growth and development. In his efforts on behalf of the NYSF, he had demonstrated a remarkable ability to turn adversity into advantage and opportunity. In 1991, however, the NYSF was in fiscal and artistic crisis. Making the best decision about who would follow him was imperative. Like most of the decisions regarding the NYSF, Joseph Papp would make this one himself, consulting with only his closest colleagues for advice.

EARLY HISTORY OF THE NYSE

The precursor to the NYSF was the East Sixth Street Shakespeare Workshop, founded in 1953 by Papp, then a theater director and stage manager for CBS-TV. Housed in the Emmanuel Presbyterian Church in lower Manhattan, the weekly workshops offered professional actors a venue for performing plays by Shakespeare and other Elizabethan playwrights.

⁶ Osborne, R., 1991, Theater impresario Joseph Papp dies, *The Hollywood Reporter*, Nov. 1: 53

⁷ Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



The most basic goal was to find an American way to do Shakespeare with good American speech. Equally important...[as his passion for Shakespeare] was Papp's determination to bring productions of high professional quality to a large popular audience at places where people actually congregated throughout the city; parks, playgrounds and the streets.⁸

In 1956 the Workshop presented its first free summer Shakespeare at the East River Park Amphitheater, receiving enthusiastic popular support and commendatory reviews from New York's major critics. These reports drew seasoned uptown theater-goers to the performances, an early indication of Papp's unique ability to "scramble all the conventional distinctions between 'uptown' and 'downtown' audiences."⁹ The 1956 season in the park provided the fledgling festival with the credibility needed to obtain support from the city, private foundations and individual donors, the city supplying the Hecksher Theater on 104th and Fifth Avenue rent-free for the winter season. Papp received his first Obie that year for bringing Shakespeare back to life on a minuscule budget in a small theater on the Eastside.

A Permanent Theater in Central Park

In 1957, Papp organized a mobile theater. Actors presented Shakespeare plays on a portable stage at no charge to the audience in parking lots, parks and vacant lots throughout the five boroughs. In July the converted truck transporting the stage broke down on the shores of Belvedere Lake in Central Park. Performances continued there for the rest of the season.

The Workshop presented free Shakespeare in Central Park for two summers. In January, 1959 Papp decided that he would devote himself full-time to the Shakespeare Festival. He quit CBS where he had worked as a stage manager since the end of 1951. His work there had provided a small but steady income that enabled him to support his family while he spent every free moment producing Shakespeare's plays. His decision involved considerable risk since the finances of the Shakespeare Festival were in a depressing state.

⁸ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18

⁹ Michner, C., 1972, Papp's universal theater, *Newsweek*, July 3: 52.



In March, 1959 Papp applied to the Parks Department for his summer performance permit, just as he had done for the previous years. He was shocked to receive a letter in reply from Parks Commissioner Robert Moses refusing to allow him to put on free performances in Central Park on the grounds that the productions and the audience they drew were damaging the park. Moses argued that to prepare the park for the performances would cost between \$100,000 and \$150,000--for fencing, sanitary and dressing facilities for actors, for a permanent electric supply for stage lighting and for seats and paving for the audience area. He indicated that he would only be willing to provide a permit if Papp would charge for his performances, with 10% of the gross receipts going to the Department of Parks to amortize the costs of the improvements that he had outlined.

Papp refused, citing his commitment to what he later called "the right of the people to free Shakespeare"¹⁰ and his belief that "the city [should] be the main support of his theater."¹¹ The ensuing feud attracted unprecedented press coverage. Robert Moses had been Parks Commissioner since 1934 when Mayor Fiorello La Guardia had created the position and appointed Moses as the first Commissioner. In 1959 he was seventy years old, extremely powerful and used to having his way. In addition to being City Parks Commissioner, he was also chairman of the New York State Council of Parks, New York City construction coordinator, chairman of the New York State Power Authority and director of the mayor's Slum Clearance Committee. Some people considered him to be "one of the most powerful nonelected public officials in the United States"¹².

The late 1950s was the tail-end of the McCarthy¹³ period, of HUAC¹⁴ and of the black list. When Papp did not back down, Moses sent a letter to the publishers of the *Daily News* and *Daily Mirror* as well as to Mayor Robert Wagner, Deputy Mayor Paul O'Keefe and city corporation counsel Charles Tenney. The letter sought to smear Papp, through guilt-by-association, as a

¹⁰ Ferretti, F., 1980, Free Shakespeare in the Park, *The New York Times*, July 13: 1

¹¹ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18

¹² Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 135

¹³ Senator Joseph R. McCarthy, who had dominated the early 1950s by his sensational but unproved charges of Communist subversion in high government circles, had died only recently in May, 1957.

¹⁴ The House Un-American Activities Committee



Communist subversive and enclosed an anonymous letter received by Moses which was written in the same vein. Moses had previously used similar tactics against others including architect Frank Lloyd Wright who he had characterized as being "regarded in Russia as our greatest builder" and urban planner Lewis Mumford who he had described as "an outspoken revolutionary."

One of the recipients of the letters leaked them to the press, sparking a firestorm of controversy. Papp took the issue to court. On June 2 *Shakespeare Workshop vs Moses* was heard before Justice Samuel Gold who ruled that Moses had not acted improperly in refusing a permit to the Workshop unless it charged tickets. Papp appealed and on June 17 the appellate division voted 5-0 in favor of the Festival.¹⁵ Defeated, Moses came forward to support a \$250,000 city appropriation for a permanent outdoor amphitheater for the festival in Central Park. Publisher George Delacorte donated an additional \$150,000. The Delacorte Theater (seating capacity: 1,932) opened in 1962 with *The Merchant of Venice* starring George C. Scott as Shylock.

Initial Organizational Structure

In 1960 the Shakespeare Workshop's name was officially changed to the New York Shakespeare Festival. Programming expanded to include *Free Shakespeare in the Park*, a revived mobile touring theater, a Spanish touring theater, and a schools touring theater. An office was set up in a hotel suite on 57th Street. The organization consisted of Joseph Papp, Producer; Bernard Gersten, Associate Producer; Gail Merrifield, assistant to Joseph Papp; a general manager; a fund-raising director, and 3 - 4 support persons. According to Gail Merrifield Papp, Papp's wife, "If the phone rang, any one of us would pick it up! Both artists and staff worked for very little money."¹⁶

GROWTH OF THE NYSF

¹⁵ Epstein, Helen, 1994, *Joe Papp: An American life*, Boston: Little, Brown and Company: 152-153. Read Chapter 7, *Winning the Park*, pp. 134-156 for more details.

¹⁶ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18



Papp pioneered the idea of municipal funding for the arts: "Theater is a civic responsibility. Just as there are libraries, there should be public theater."¹⁷ He skillfully used the press to make municipal funding for the NYSF a public issue, putting pressure on the City to respond. Papp's efforts to obtain municipal support were described as "tremendous. It was an endless, insistent, period of years, with changing administrations and all kinds of difficulties."¹⁸ Regular municipal support for the NYSF began in the 1960's, as it became established as one of the city's most commended cultural components, reaching a peak in the mid-1960's under Mayor Robert F. Wagner's administration when city subsidies for festival programming increased to \$400,000 annually.¹⁹

The Public Theater

Perhaps the most impressive example of Papp's ability to obtain municipal support is The Public Theater facility itself. In 1966, seeking a year-round home for the NYSF, Papp raised \$575,000 (a \$215,100 anonymous donation and a \$360,000 mortgage) to purchase the landmark Astor Library in lower Manhattan. Its sale to a real estate developer by its owner, the Hebrew Immigrant Aid Society (HIAS), was temporarily halted when the newly formed City Landmarks Preservation Commission declared the building, which otherwise would have been demolished, a landmark. Papp then persuaded HIAS and the developer to sell it to the NYSF.²⁰

Having saved the building from demolition Papp negotiated a purchase-leaseback with the City. With agreement in principle from the administration of John Lindsay, the newly elected Mayor, the building was renamed The Public Theater, and a process of restoration and renovation began predicated on the City's purchase. By 1970, over \$2 million had been spent on renovations and theater construction [one theater had opened]. However, there were endless delays in the City

¹⁷ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 279; Anon., 1968, The theater: Impresarios: Public Papp, *Time*, June 23: 58

¹⁸ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18

¹⁹ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

²⁰ Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



Council process of approving a capital appropriation for the purchase of the building.²¹ The delays plunged NYSF "into its deepest financial crisis in 16 years."²² Finally, in 1971, with the endorsement of Mayor Lindsay, the City' Council approved an appropriation of \$2.6 million dollars to purchase the building from the NYSF. It was leased back to the festival for one dollar a year.²³ In addition, the city agreed to pay for the remaining renovations to the building. On-going expenses such as day-to-day maintenance and insurance would be borne by the NYSF. Prior to 1981 the NYSF "had been the only major cultural institution [in the city] which did not have a separate line in the City budget."²⁴ In 1981, however, Papp convinced the city to add a permanent line in the city budget for "institutional support". This provided maintenance support (\$500,000 - \$1,000,000 annually) for facility operations and energy costs, as well as additional capital projects at both the Public and Delacorte Theaters.²⁵ The completed Public Theater complex contained five theaters (see Table 1), rehearsal spaces, technical shops and administrative offices. As the organization grew, additional facilities for offices and technical shops (in-house costume and stage design departments) were rented nearby at the NYSF's expense.

Expanding the Artistic Mission

With the acquisition of the Public Theater, the NYSF was no longer limited by space and mandate to producing only "Free Shakespeare" at the Delacorte Theater. The scope of the festival's programming expanded to include the original production at the Public Theater of new plays by contemporary

Table 1: Public Theater Complex

<u>Theater</u>	<u>Capacity</u>
Newman Theater	299 seats
Martinson Hall	175 seats ²⁶
LuEsther Hall	150 seats
Susan Stein Shiva Theater	100 seats
Anspacher Theater	275 seats

²¹ Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995

²² Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: :282; Little, S., 1970, The city politic;Another opening, another show? *New York*, June 29: 6-7.

²³ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 17

²⁴ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

²⁵ IRS, NYSF, 1991, Notes to the Financial Statements, August 31: Note 14; Wetzsteon, R., 1983, Let 'em eat Papp, *Rolling Stone*, April 28: 28

²⁶ Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



playwrights, as well as the reinterpretation of classics. Papp saw "experimental theater as the roots of renewal of theater in America today."²⁷

Gail Merrifield Papp, former Director of Play Development at the NYSF, stated, "In the late sixties, there were not many theaters producing new works, and the artistic response was tremendous. Scripts came tumbling in by the hundreds and hundreds."²⁸ A long-time associate observed, "Joe sought to produce plays that were important to him. Many ... were politically and socially important plays at that time, as well as being good theater craft."²⁹ With innovative programming, the NYSF established itself as a major force in the development of theater in America, nurturing the careers of a generation of playwrights, actors, directors, designers and technicians.

The NYSF and Commercial Enterprise

Papp's taste as a producer was wide. It ranged from popular to serious, and often mixed the two elements. His first production at the Public Theater, for instance, was *Hair*, a rock and roll musical protesting the Vietnam War. Papp wanted to move *Hair* to Broadway but did not have the money to do so. He therefore licensed it to Michael Butler, the independent Broadway producer who took it to Broadway in 1967, where it garnered both financial and critical success.³⁰ The Broadway production of *Hair* was one of the first off-Broadway productions to successfully cross over to commercial theater³¹, and presaged an unprecedented relationship between non-profit theater and Broadway. It returned revenues of \$1 million to the NYSF, undoubtedly a substantial sum but limited by the fact that the production had been licensed. If Papp had been able to take it to Broadway himself the revenues to NYSF would have been much greater.³²

²⁷ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 269; Papp, J. Introduction, In Gordone, C., 1969, *No place to be somebody: A Comedy in three acts*: ix-x

²⁸ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18

²⁹ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18

³⁰ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

³¹ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18

³² Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



In 1974 Papp asked Michael Bennett if he would be interested in directing Knickerbocker Holiday. Bennett "wasn't interested, but said he had an idea for a musical about chorus dancers. He brought the dancers' tapes for Joe to listen to"³³ but Papp was reluctant due to the expense involved: ten months of workshops with actors receiving equity wages. Bernard Gersten, the NYSF's Associate Producer and a veteran of commercial theater, urged Papp to undertake the project and then LuEsther Mertz, a member of the Board of Trustees, came forward with the monies needed. This interaction led to the birth of *A Chorus Line*, a musical conceived, choreographed, and directed by Michael Bennett which opened in 1975 to rave reviews. The heads of the Shubert Organization (powerful commercial theater owners and major NYSF donors) "played an active role"³⁴ and under Gersten's guidance, it was moved to Broadway in 1975 where it became the longest running show in Broadway history.

The success of *A Chorus Line* was a turning point for the NYSF. Mertz's generous gift provided Papp with the funds required to take it to Broadway himself, eliminating the need to license it to anyone, as in the case of *Hair*. This allowed all the profits from the production to flow back to the NYSF. These revenues were used to develop a variety of productions. Twenty-four more productions were in turn moved to Broadway (see Appendix D), creating a loop which provided the NYSF with unprecedented revenue streams and recognition. Moreover, because the revenues were earned within the NYSF's non-profit mandate³⁵, and were subsequently used to further its mission, they were tax-exempt. *A Chorus Line* reportedly returned gross receipts of \$75 million on its initial \$1.1 million investment,³⁶ and made a net profit for the NYSF of almost \$39 million.³⁷

Programming, Administrative and Fixed Assets Growth

³³ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

³⁴ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

³⁵ "To promote development of visual and performing arts and encourage public and professional knowledge of such arts," (IRS Form 990, 1988, Statement of Program Services Rendered: 2).

³⁶ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 19

³⁷ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11



Cross-subsidization from *A Chorus Line* and subsequent commercial productions allowed the NYSF to rapidly increase its programming and infrastructure. A veteran staff person recalled that

The Festival was one kind of organization prior to *A Chorus Line* and a different type after, simply because of the revenue [*A Chorus Line*] generated. The ideas were always there, they just needed to be realized.³⁸

Programming during the 1970's and 1980's was expansive and ambitious. It was divided into two categories: Regular Programming and Extended Programming. Regular Programming referred to "those activities the NYSF undertakes on an on-going basis; at the Public Theater (full productions, NYSF Latino Festival, films, and Playwriting in the Schools) and the Delacorte Theater (Free Shakespeare)."³⁹ Extended Programming consisted of "NYSF productions initiated in the regular program and moved to other theaters; film or television projects; and certain publishing and recording activities."⁴⁰ In the 1978-79 theatrical season there were 30 productions presented under Regular Programming, and 3 Extended Programming productions on Broadway; in the 1980-81 season there were 23 regular and 2 extended productions.⁴¹ Extended Programming also included touring productions. For example, *A Chorus Line* had national and international tours. Management of Broadway productions was sub-contracted to a commercial management company while tour productions were run by the staff of the NYSF (See Appendix B, Program Highlights, 1954-1988).

This prolific output required additional staff and infra-structure. By the late 1980's the festival staff had grown from the 8 to 120 full-time positions, 40 of which were administrative and 80 which were directly related to production, including 40 technical persons. Compensation was increased and the employee benefit package improved. Financial management was upgraded and streamlined with the aid of an in-house computer system. The NYSF invested in high quality lighting and sound equipment, and computerized its box office, increasing its appeal as a performance venue.

³⁸ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18

³⁹ IRS, 1990, Notes to Financial Statements, August: 9

⁴⁰ IRS, Notes to Financial Statements, August 1990:9

⁴¹ Dance groups and adjunct programs like Jazz and Film are not included in these figures. Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



Budgets

For nearly 25 years, NYSF budgets were developed on a project by project basis.⁴² By 1985, the organization was preparing formal yearly budgets which were refined as projects were developed. By 1987, "very fluid" 3 to 5 year budgets were planned to account for inflation, according to Mark Robinson, the NYSF Financial Director from 1983-1987.

By 1983, the Festival's annual operating budget was reported at \$7 million "with fixed overhead costs of \$4 million and earned revenues from the Public Theater of \$1 million", according to Robert Kamlot, the NYSF's General Manager at the time.⁴³ Mark Robinson anticipated annual income-operating expense gaps of approximately \$2.5 million each year. While a shortfall between revenues and expenses is not unusual for a non-profit organization, the NYSF was unique in its ability to meet or exceed its expenses through often unforeseen developments in Extended Programming. For the fiscal year ending August 31, 1987, the annual budget was reported at \$14 million with \$12 million in expenses.⁴⁴ (See Exhibit 1, NYSF Sources of Revenues, 1989, 1990, 1991; Exhibit 2, NYSF Financial Summaries 1977 and 1983, and Exhibit 3, NYSF Functional Expenses)

Revenues, Public and Government Support

Extended Programming accounted for up to 78% of the NYSF's total annual box office income.⁴⁵ Regular Programming's income earning capacity was limited by seating capacity and the organization's pricing policies. Productions at the NYSF's largest theater, the Delacorte, were, of course, free. Ticket prices at the Public Theater were deliberately lower than those of even most other non-profit theaters. This was due to (1) the desire on the part of the NYSF to present affordable theater to the widest possible audience, and (2) the quasi-public nature of the organization, given the City's subsidy of the Public Theater facility. In 1967, a general admission

⁴² Kamlot, Robert, 1993, Interview with the Katherine Schlesinger, March 18

⁴³ Kamlot, Robert, 1993, Interview with the Katherine Schlesinger, March 18; Wetzstons: 28

⁴⁴ Gerard, J., 1987, From Papp, All of Shakespeare, *The New York Times*, Nov. 4: C21

⁴⁵ IRS, 1990, NYSF, Notes to the Financial Statements. Note 10-- Box Office Income, Year Ending Aug. 31, 1990: 13



ticket cost \$2.50;⁴⁶ in 1986 it cost \$15 - \$18. Because Papp did not like to be obligated to fixed production schedules, traditional subscription series tickets were not available.⁴⁷ The Public Theater did, however, offer a "Public Theater Pass" program which entitled pass holders to usually 50% off the admission price of productions. (See Appendix C, Public Theater Pass-Holder Flyer, 1985)

Other income was generated from royalties, subsidiary rights, movie rights, television rights, reimbursable management fees, and concessions. In 1989, for example, The NYSF was eligible to participate in the proceeds of subsidiary rights of 49 plays originally produced by the NYSF.⁴⁸ While revenues from most of these sources were inherently unpredictable from year to year, they often provided a substantial financial cushion. (See Exhibit 4, NYSF Notes to Financial Statements, August 31, 1991 and Appendix D, NYSF Broadway Productions, Film and Television Projects). Support for the NYSF also included government, foundation and corporate grants, as well as individuals. Papp was a tireless advocate and fund-raiser for the NYSF. He cultivated individual donors and often made 11th hour appeals to contributors to fund last-minute projects. (The application period for government, foundation and corporate grants ranges from 9 to 12 months.)

Board Designated Reserve and Endowment Funds

In 1983, under the leadership of Board member Stanley Lowell, the Board of Trustees:

resolved that the net income generated from *A Chorus Line* during the 1981-1984 fiscal years be transferred to the Board Designated Reserve Fund. Interest earned on these funds can be transferred to the Unrestricted Operating Fund. No funds shall be expended from the reserve fund to meet general operating expenses of the Festival except in an emergency or crisis situation, or as an advance for initial costs and expenses of extended programming which can reasonably be anticipated to become self-sustaining. The income from *A Chorus Line* in subsequent fiscal years is applied to the extent necessary to meet the deficits incurred from regular programming operations.⁴⁹

⁴⁶ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 278

⁴⁷ Robinson, Mark, 1993, Interview with the Katherine Schlesinger, June 15

⁴⁸ IRS, NYSF, 1989, Notes to Financial Statements 1989, Note 12 - Subsidiary Rights and Television Productions

⁴⁹ IRS, NYSF, 1989, Notes to Financial Statements 1989, Note 2 - Fund Accounting.



The initial endowment of \$14 million included the \$12 million Board Designated Reserve Fund earned from Extended Programming revenues, and \$2 million in restricted funds from donors and grants.⁵⁰ In 1985 management of the funds was turned over to two professional financial management companies, Drexel Burnham Lambert and Sanford Bernstein and Company, with a mandate to grow the endowment. By July 1987, aggressive trading in stocks had increased the market value of the endowment portfolio to \$25 million.⁵¹ According to Robinson, approximately 40% of the investments were in stocks; the balance was invested in bonds earning "\$1.9 million yearly - about 14% of the [NYSF's annual] operating budget."⁵² For the fiscal year ending August 31, 1987, interest, dividends and earnings from stock transactions supplied \$4.7 million to the Unrestricted Operational Fund.⁵³ (By comparison, the Metropolitan Opera's endowment generated 6.8% of its \$82 million 1987 budget, and earnings from The Arena Stage's \$6 million endowment paid for 3% of its \$7.3 million annual budget.⁵⁴)

ARTISTIC VISION AND MANAGEMENT

What Joe did was of enormous interest to the people who associated with him; much larger than personal careers or the realization of profit. The goals were huge kinds of dreams. He relied completely on his staff and colleagues in the theater to help him realize his goals. He offered an artistic reach that was very challenging, and a social connection to the city which was very exciting (Gail Merrifield Papp).

The Staff

Many key staff persons came from commercial theater and television, bringing with them valuable professional skills, contacts and experience. Over the years, NYSF also developed the careers of a new generation of theater professionals. "The heads of departments had an remarkable amount of experience. The Production Manager was [at the NYSF] for 25 years, the Technical Director for 20 years, the Director of Subscription for 25 years, and the Casting Director for 15 years."⁵⁵ According

⁵⁰ Robinson, Mark, 1993, Interview with the Katherine Schlesinger, May 31

⁵¹ Robinson, Mark, 1993, Interview with the Katherine Schlesinger, May 31

⁵² Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec 22: C17

⁵³ Robinson, Mark, 1993, Interview with the Katherine Schlesinger, May 31

⁵⁴ Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec. 22: C17

⁵⁵ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18



to Rosemarie Tichler, long-time NYSF Casting Director, "Papp had a warm generous spirit. He had a deep and abiding love for the theater, and he took you into that circle. There was extraordinary loyalty and commitment on the part of the staff towards Joe. "

Artistic Colleagues

"Joe was always interested in working directly with the artists," said Tichler. He surrounded himself with a "widening circle" of colleagues in the theater on whom he relied on for recommendations and advice. Gail Papp explained:

Artists bring in other artists. Initially Joe had an Associate Artistic Director, Gerald Freedman. Freedman was a key person; a major director of Shakespeare in the Park and of contemporary works at the Public, including *Hair*. After Jerry left to pursue a different kind of career, Joe did not have a person in that position for many years. But he had other people - the returning directors, writers, and actors."

One such colleague was Wilford Leach, who had directed several of Papp's most successful musical productions, and had been the chief administrator at the Monarch Theater at Sarah Lawrence. Michael Bennett also continued to play an important role at the Festival.

During the 1970's and 1980's Papp produced "risky" new works by playwrights such as John Guare, David Henry Hwang, Miguel Pinero, David Rabe, Ntozake Shange and Sam Shepard.⁵⁶ "Joe was very supportive when he loved the work. He would telephone a playwright who had been slaughtered by the press the night before and say 'So, when are you starting your next play? I want it!'" recalled Tichler. Another associate recalled:

That was the difference between Papp and a commercial producer. Joe was in for the long haul with a new playwright ... this was the spirit and personality of the man. People felt supported, and came back to work here time after time. It was the lifeblood of the institution⁵⁷

The general public saw Papp's ability to magnetize talent mainly through the actors and actresses he cast. The 'star system,' as it was sometimes termed, gave Papp tremendous freedom to explore

⁵⁶ Anon, 1991, *Hollywood Reporter*, Nov. 1: 53

⁵⁷ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18



and experiment with new plays. If a playwright was unknown, or a production had received poor reviews, the public would still come to see the best of professional acting on stage. For example, among the actors cast during the 1985 season, were Kate Nelligan, Jessica Tandy, Christopher Durang, Sigourney Weaver, Mary Elizabeth Mastrantonio, Wallace Shawn, and Linda Hunt.⁵⁸

Artistic Decision-Making and Management

Papp maintained complete authority regarding artistic and management decisions. Gail Papp said, "When Joe made artistic decisions, sometimes it was based on his own gut instinct, and sometimes he had to be persuaded by a director or whoever wanted to bring something to his attention."⁵⁹ Another associate stated, "He had the ultimate authority and the ultimate responsibility."⁶⁰

The NYSF was a hierarchical institution with extensive delegation. Despite its size, organizational charts were considered unnecessary because "people knew their jobs."⁶¹ "Papp created opportunities for people at the NYSF. He delegated responsibility and was not a 'micro manager,'" stated Gail Papp. "Papp made all important decisions, as to casting," said Tichler. "However, as was general practice, casting had, ultimately, to be agreed on by playwright, director and producer. Each had a veto. He also saw every press release that went out. Nonetheless, we had a lot of freedom," continued Tichler, "He was a temperamental man but the overall feeling was one of fun and craziness. Sometimes people were overwhelmed: one day he could decide he wanted to tear down a theater and build another one!"

One former employee described Papp as authoritarian, "a man one doesn't argue with. Loyalty was demanded of the staff, and leaving the organization was considered a kind of personal betrayal." In 1978, Gersten, Associate Producer of the NYSF for nineteen years and Papp's closest professional colleague was fired over a dispute concerning a Michael Bennett production. Gersten, who had

⁵⁸ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 209-221

⁵⁹ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18

⁶⁰ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18

⁶¹ Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18



known Papp since the 1940's, had been an integral part of Papp's organization. He was "an administrator who made things work", and a key figure in arranging the NYSF's Broadway productions.⁶² "In 1979, a few months after [Gersten] left the Festival, [Papp and his wife] flew to Los Angeles to visit him in his new job with Coppola's Zoetrope Studios. The relationship was altered, but it was civil."⁶³ Gersten moved on to a successful career as Executive Director at the Vivian Beaumont Lincoln Center Theater.

Governance

The Board of Trustees was selected by Papp. It was not a "money board."⁶⁴ The central selection criteria was described by one trustee as, "a sharing of common values about society as a whole and the role of theater in it."⁶⁵ The Board was supportive of Papp's vision, and relied on his leadership in artistic and management decisions. Many members had served since the inception of the Board. Several had made major funding contributions to the NYSF, as was the case of George T. Delacorte who had helped finance the Delacorte Theater. Others offered valuable services, such as Stanley Lowell, former Deputy Mayor of New York, who assisted Papp in negotiating municipal and financial matters. While individual board members made generous financial gifts to the NYSF, they were not actively involved in fund-raising.

In the late 80's and early 90's, Papp brought several younger persons onto the Board to provide for future leadership. He selected persons with whom he had built relationships over several years. The new members shared Papp's social and artistic values, and had access to sources of funding, or an interest in, fund-raising. Among the new members were Larry Condon, President of the Joyce Mertz-Gilmore Foundation, and Robert Pittman, President and CEO of Time Warner Enterprises. Several artists associated with the NYSF were also added, including Robin Wagner (set designer),

⁶² Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 19; Hoban, Phoebe. 'Going Public' *New York Magazine*, Oct. 28, 1991:47

⁶³ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

⁶⁴ Papp, Gail Merrifield, Letter (with attachments) to Daniel Mitchell, March 24. 1995

⁶⁵ Condon, Larry, 1993, Interview with the Katherine Schlesinger, June 17



Kevin Kline (actor), Mike Nichols (director), Raul Julia (actor) and Morgan Freeman (actor). (See Appendix E, NYSF Board of Trustees).

CRISES OF THE 80'S AND 90'S

The late 1980's ushered in a new and difficult era for the NYSF. For years the NYSF had run an annual deficit of \$2 to \$2.5 million

representing the cost of the free Shakespeare program, an expense unique to this theater organization. The deficit had been largely covered by income from extended programming plus interest from the Reserve Fund which had been established with *Chorus Line* profits.⁶⁶

The 1987 stock market crash reduced the market value of the endowment portfolio by an estimated 25%, though the market recovery did eventually return the endowment to \$22 million in 1988. The crash marked an end to aggressive stock trading and high interest rates which had returned such large profits in previous years, the contribution from investment income to the general operating fund

dropping from \$4.7 million to \$1.3 million in fiscal year 1987 - 1988.⁶⁷

At the same time, earned income revenues also fell. By 1985 box office receipts from *A Chorus Line* had declined from \$7 million to \$1 million a year. The show closed in 1990 after a fifteen year run. For seven of those years, "income from the various productions of *A Chorus Line* made up almost 70% of the NYSF's operating costs."⁶⁸ Box office income from Extended Programming dropped from \$10,319,026 in 1988 to \$9,482,403 in 1989, \$7,453,237 in 1990, and, finally, zero in 1991. Regular Programming income also slid downward: \$2,806,833, 1989; \$2,064,021, 1990; \$1,379,387, 1991.⁶⁹ (There were 320,000 seats available for the Public Theater's 1990-1991 season's productions.⁷⁰) Moreover, "the festival's financial woes .. also curtailed the company's ability to capitalize on its successes." While Caryl Churchill's

⁶⁶ Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995

⁶⁷ Robinson, Mark, 1993 Interview with the Katherine Schlesinger, May 31

⁶⁸ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 19

⁶⁹ IRS, NYSF , Notes to the Financial Statements - Box Office Income 1989, 1990, 1991

⁷⁰ Fraser, G. 1990, Papp rejects \$323,000, *The New York Times*, Nov. 2



Serious Money [was] completing a sold-out run at the Public and [would] open on Broadway in January [1988], [the Public would have] to depend on the Shubert Organization to lay out the cost of the Broadway move, as an advance against rent.⁷¹

Responding to the Financial Crisis

Three productions were cut from the Public Theater's 1987 schedule, at an estimated savings of \$700,000. Independent financing for "Betsey Brown", a musical in development for seven years, saved the organization an additional \$600,000.⁷² Reducing operations to save money, however, was generally regarded by Papp as "a self-defeating path" because

we raise money on the basis of what we do. If we fail, I'm willing to fail at the size we are, rather than slowly lose weight and then become a negligible force. If the theater has to go under because we can't raise the money, then it will go under. I started this theater with nothing; maybe I should end it with nothing.⁷³

Papp also rejected the idea of deep staff cutbacks at the festival. He called

his staff and the theater's various shops 'the lifeblood of the structure. Even to drop 15 people, you begin to destroy the organization' ... Managers at several nonprofit theaters described the Festival's [administrative] costs as high but not dramatically different from their own as a percentage of overall budget.⁷⁴

In November, 1987, the NYSF's first subscription series was introduced. The series was popular, earning \$250,000 in advance ticket sales by December, 1987.⁷⁵ Two years later, in August 31, 1989, at a subscription cost of \$60.00 for three plays at the Public Theater,⁷⁶ the Festival had approximately \$555,000 in advance sales.⁷⁷ In addition, the Shakespeare Marathon, "a special Charter Subscription, separate from regular subscription,"⁷⁸ raised \$33 million enabling Papp to produce all 36 of Shakespeare's plays at the Delacorte and Public Theaters over a six year period.

⁷¹ Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec. 22: C17

⁷² Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec. 22: C17

⁷³ Papp, J., 1990, Quote in Rothstein, M., Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C12

⁷⁴ Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec. 22: C17

⁷⁵ Gerard, J., 1987, Papp cancels three plays, *The New York Times*, Dec. 22: C17

⁷⁶ See Appendix F, Shakespeare Marathon Subscription Series Flyer, 1989

⁷⁷ IRS, NYSF, 1989, Notes to the Financial Statements (Aug. 31, 1989): Note 9 -Deferred Revenue.

⁷⁸ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2



In response to the crisis, Board members were asked to increase their fund raising activities. In 1988, facing the annual deficit of \$2 million from the free Shakespeare program,⁷⁹ and unable to raise sufficient funds, the Board was obliged, therefore, to approve invading the Reserve Fund's principal, to meet general operating expenses. In addition, the festival entered into an agreement with Sanford Bernstein and Company whereby it could borrow up to \$1 million against the endowment's investment account at a rate of one-half percent above the prime rate. By August 31, 1989, the Festival had borrowed the entire amount available.⁸⁰ The market value of the endowment diminished to \$17 million by May, 1990, and was projected to dwindle to \$10 million by 1994.⁸¹

Artistic Challenges

During this period, the artistic direction of the NYSF was also a concern. Like many commercial and non-commercial theaters, the NYSF found its audience dwindling. The traditional New York audience was getting old and their children "don't go to the theater. Their idea of entertainment is going out to dinner," stated a staff member.⁸² Papp believed that the theater had to become relevant to a new audience, and reflect the concerns of the city's culturally and ethnically diverse population.⁸³ Another problem was obtaining new plays and talent. Papp's success at the Public Theater had lent support to the growth of other regional theaters such as the Goodman in Chicago, which now vied with the Public for new scripts and the talents of directors and actors⁸⁴.

Critics felt there was a decline in the quality of the Festival's output, especially when compared to the 1960's and 70's when the NYSF had received numerous Tony and Pulitzer Prizes for its

⁷⁹ "For years NYSF's annual deficit had been \$2 to \$2.5 million, representing the cost of the free Shakespeare program, an expense unique to this theater organization. The deficit had been largely covered by income from extended programming plus interest from the Reserve Fund which had been established with *Chorus Line* profits. However, the Fund suffered major losses in the 1987 stock market crash and at the same time there was a drop in income from extended programming. As a consequence there wasn't enough money in 1988 to cover the shortfall" [Papp, Gail Merrifield, Letter (with attachments) to Daniel Mitchell, March 24, 1995]

⁸⁰ IRS, NYSF, 1989, Notes to the Financial Statements (August 31, 1989): Note 8-Loan Payable.

⁸¹ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁸² Cohen, Jason Steven, 1993, Interview with the Katherine Schlesinger, March 18

⁸³ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11.

⁸⁴ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18



productions.⁸⁵ Critical reaction to the Shakespeare cycle was mixed and, though Papp "never expected to repeat *Chorus Line*, or even wanted to, every time he made a musical, some one in the press would make a comment"⁸⁶ like: The Public's 1990 "attempts to find a musical that would move to Broadway and replace *A Chorus Line* ...received generally negative reviews."⁸⁷

PLANNING FOR SUCCESSION

It was in the midst of these changes, that Joseph Papp was diagnosed with cancer. Although in his late sixties, he had done little formal planning regarding succession. For years he had "every expectation" of being succeeded by Wilford Leach. Unfortunately, Leach had died of AIDS in 1988.

"For the last eight or ten years, there's been talk about who would be there after him [Papp]...But Joe was very closed about it. Words like successor and *heir apparent* were never used; it was more like *future involvement* and *artistic associate*," recalled a former staff member.⁸⁸

There was confusion surrounding Papp's true state of health. He kept his illness secret from all but a few close friends and colleagues and repeatedly dismissed journalist's attempts to discuss the issue. Even those persons who knew of Papp's illness were unaware of how fast it was advancing. As he became unable to attend to the day-to-day management of the NYSF, there were capable people on staff to keep things going. "He rallied himself for public events, leaving the impression that he was much better than he really was," said Gail Papp. Moreover, Papp was distraught due to the illness of his son, Tony, who died of AIDS in 1991. Some close associates attributed Papp's failing presence more to concern and grief over his son than to his own fragile health.⁸⁹

By 1989, confronting the need for a successor had become unavoidable. Papp "realized he was going to have to hand the theater over to someone, and began making exploratory calls to a few selected individuals."⁹⁰ He did not approach "artistic heads of other theatrical institutions and never

⁸⁵ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁸⁶ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

⁸⁷ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁸⁸ Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 38

⁸⁹ Condon, Larry, 1993, Interview with the Katherine Schlesinger, June 17

⁹⁰ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18



entertained the idea of hiring a consultant firm to conduct a professional search."⁹¹

Of his initial search Papp stated

I wasn't looking for a star particularly but I wanted someone who is well recognized, who first of all would be an artist but who also has the administrative and organizational sense to run a theater of this scale.⁹²

Mike Nichols, Papp's first choice, did not want the responsibility of an institution. He then approached Jerry Zaks, a director at the Lincoln Center, and James Lapine, who had directed the Broadway production of *Sunday in the Park with George*. Neither accepted the job. Gail Papp said:

They were currently engaged in other projects or wanted to remain free agents," There weren't people knocking on his door for this job. How many people wanted to take on the city, the financial problems, and the enormous tasks? It's difficult to find the right people at the right time.

Alternative Succession Strategies

Alternative succession strategies were considered. Restructuring the NYSF, especially the operations at the Public Theater, was an option. One plan was to enlist young, African-American director George Wolfe to head one or two theaters within the building as a separate entity. The plan, first, offered artistic life to the beleaguered Public Theater. Wolfe, the author of *The Colored Museum*, had directed two successful productions--*Spunk* and *The Caucasian Chalk Circle*--at the Public Theater in 1990. His professional persona was similar to Papp's. He had a

flair for talent scouting, show business and self promotion ... The Wolfe canon [had] crossed over from American to the African, from drama to satire to musical theater, from verbal elegance to visual dash. He [was] one to try anything rather than take no for an answer.⁹³

Second, it addressed financial issues. Papp's idea was that he would raise the money to help Wolfe start an independent theater within the Public until such time Wolfe could become an independent producer with his own financing.⁹⁴ Wolfe was eager to participate in the venture, but was engaged in developing *Jelly's Last Jam* in Los Angeles.⁹⁵

⁹¹ Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2

⁹² Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 39

⁹³ Rich, F., 1993, Opening a window at a theater gone stale." *The New York Times*, (Mar. 21): Section 2: 1

⁹⁴ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18; Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995

⁹⁵ After a successful run in Los Angeles, "Jelly's Last Jam" moved to Broadway in 1992.



A second restructuring option was formulated. Papp envisioned a multi-director/playwright program, headed by an artistic associate. Papp wanted "young associates" who would "reflect the thinking of young people today."⁹⁶ In 1989, a \$330,000 grant was received from the Andrew Mellon Foundation to support the program. In May, 1990, George Wolfe (35), David Greenspan (34), and Michael Greif (30) were each given a theater and a budget for the up-coming season. Each would present "three plays of their own choosing."⁹⁷ To head the program, Papp appointed JoAnne Akalaitis as his "artistic associate with basic decision-making autonomy."⁹⁸

Akalaitis, 52, was best known for her work as an actress and director with Mabou Mines, a small avant-garde theater collaborative she co-founded in 1970. While her work was considered innovative and controversial, she was virtually unknown outside of theater and avant-garde art circles. Over the years, she had worked with Papp on several Mabou Mines productions at the Public Theater. He had a good working relationship with her and admired her as an artist. He said of her appointment, "I wanted to find a different kind of esthetic working here, but I wanted to make sure there was fundamentally a sense of social responsibility, that the arts have a reason for being and they relate to society and ... to people who live in New York. With JoAnne I don't have to worry."⁹⁹

Papp publicly presented Akalaitis as a potential successor, and began to mentor her. When asked why he hadn't chosen a person who had experience running a theater of their own, Papp replied "I was looking really for someone who hasn't had that experience, someone fresh and individual that I know and have worked with."¹⁰⁰ Reactions from the theater community to Akalaitis's appointment ranged from "admiration and giddy approval to deep suspicion and cynicism."¹⁰¹ She is "better known for reinterpreting the classics than for collaborating with playwrights in the development of

⁹⁶ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁹⁷ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁹⁸ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C11

⁹⁹ Rothstein, M., 1990, Papp reorganizes Shakespeare Festival, *The New York Times*, May 20: C12

¹⁰⁰ Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 39.

¹⁰¹ Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 35.



new plays and musicals," noted *New York Times* critic Alex Witchel.¹⁰² Another writer asked, "Akalaïtis is an avant-garde director. Does she really want to become a producer?"¹⁰³ One journalist noted:

The most surprising thing about the turn of events at the Public Theater is that Joe had addressed the issue of succession at all. It's difficult enough both emotionally and practically for the head of any organization to face the task of at least cultivating a successor. But Joe Papp founded the NYSF himself 36 years ago,...he fought its most famous battles by himself, ... and he has made himself virtually synonymous with the organization, using his personality to sell the Shakespeare Festival and its productions ... For Papp to contemplate a life beyond the NYSF would require a great amount of honest, soul-searching selflessness."¹⁰⁴

Transition towards Succession

In November, 1990 Papp turned down \$373,000 in funding (including a \$50,000 endowment grant for the financially troubled Latino Festival) from the National Endowment for the Arts (NEA) in protest of its new obscenity clause which he felt violated the First Amendment of the Constitution. The organization also refused to apply to the NEA for funds for the following year.¹⁰⁵ While these gestures were in keeping with Papp's political activism,¹⁰⁶ the loss of funding further exacerbated the organization's financial distress (the NYSF faced a \$2.5 million deficit in 1990).¹⁰⁷ With New York City in the midst of its own fiscal crisis, municipal funding to the NYSF was cut 33%, and state funding reduced by 60% in 1991. Fund raising was increasingly difficult: corporations, also caught in a recession, were cutting back on their sponsorship, and many foundations were shifting their support from the arts to health and social issues.¹⁰⁸

Eventually, financial pressures forced the organization to scale down programming and overhead expenses. In 1991, NYSF's operating budget was reduced from \$13.5 million to \$10.5 million.

¹⁰² Witchel, A., 1991, Papp names Akalaïtis new head of festival, *The New York Times*, Aug. 21: C11

¹⁰³ Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 39

¹⁰⁴ Shewey, 1990, Mabou Mines Founder takes over Bard fest, *Village Voice*, Sept. 25: 35

¹⁰⁵ Witchel, A., 1991, Papp names Akalaïtis new head of festival, *The New York Times*, Aug. 21: C11

¹⁰⁶ Though Papp's "defiance of the NEA in defense of the First Amendment was unrelated to his illness" (Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2) one former staff member perceived this as an indication that he became more defiant as he became increasingly ill.

¹⁰⁷ Horn, B., 1972, *Joseph Papp: A bio-bibliography*, New York: Greenwood Press: 20

¹⁰⁸ Witchel, A., 1991, Papp names Akalaïtis new head of festival, *The New York Times*, Aug. 21: C11; See Exhibit 5, NYSF Statement of Revenue, Expenses, Public Support, Capital Additions and Changes in Fund Balances Year Ending August, 1991



Most of these savings came from closing down the costume and set design shops, which reduced the staff by 25%. The number of new productions for the new 1991 season were cut back by almost 50%.¹⁰⁹ In addition "the Public Theater planned, to co-produce ... shows with other non-profit theaters in order to share expenses."¹¹⁰

Despite the "decision-making autonomy" Papp had announced for Akalaitis, he appeared reluctant to relinquish authority. In a November, 1990 interview, Papp stated:

No one's sitting at my desk. I'm exercising more authority than I ever did before. I'm taking [steps to maintain] this theater for the next 100 years by creating the conditions under which it can exist both financially and artistically ... conceptualizing a future where all four [Akalaitis, Wolfe, Greif and Greenspan], or one of the four, or two of the four, or four other people, might find a way to handle things. These four people might not be here next year.¹¹¹

Akalaitis was reticent about her role as Artistic Associate. "It's in the process of being defined although I can say I would like to have a voice in the future of the organization."¹¹² In the same article, Papp stated, "I'm the boss. No one can fill my shoes. I won't retire. I'll have to be killed off."

While Papp was impressed with Akalaitis' dedication to her art, she lacked certain skills which had been key success factors for him. She had little fund-raising experience and was uncomfortable with the press. Moreover, Akalaitis was

committed to the development of new musicals at the Public, though she admitted no knowledge of - or interest in - Broadway. [She stated], "Believe me, I have nothing against money. But Broadway is not my scene. I think there should be other people in this institution who can keep us involved there; it just doesn't have to originate with me."¹¹³

Papp felt the NYSF needed a strong producer who could bring in money and artistic talent, and nurture it. He was concerned about Akalaitis' limited experience and range as a producer.¹¹⁴ In her career, Akalaitis had staged major productions of European classics at the Guthrie Theater, Minneapolis, two controversial Shakespeare productions at the NYSF, as well as "chamber-sized"

¹⁰⁹ Witchel, A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C11

¹¹⁰ "The Public Theater had [previously] co-produced several times with other non-profits such as Manhattan Theater Club (*Ashes*) and Veterans Ensemble Theater Company (Tracers). " (Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2) .

¹¹¹ Anon, 1990, Joe Papp's four protégés, *The Daily News*, Nov. 19

¹¹² Anon, 1991, Joe Papp taps JoAnne perhaps, *The New York Times*, Mar. 18

¹¹³ Witchel, A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C14

¹¹⁴ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18



works in New York.¹¹⁵ However, though American playwrights represented the core of the NYSF's programming under Papp, she had only directed one full-length work by an American.¹¹⁶ The first season Akalaitis proposed for the NYSF was by her own admission "too serious."¹¹⁷

The Board and Executive Advisory Committee

Members of the Board were supportive of the artistic potential of the restructuring, but some trustees wondered how dividing the theaters would impact the administration and management of the organization. Larry Condon explained:

Bringing in new artistic people is going to impact the entire organization. Who was going to be in charge? Issues such as "mission" and "vision" need to be addressed. Until then, Joe had provided the artistic leadership; he had been the vision. What would be the NYSF's mission for the next decade? What programs would be central to what we do? And how would we support them, both in terms of staff and funding? The NYSF needed to plan systematically for institutional development.

In 1990, the NYSF did receive a grant for institutional development from the Joyce Mertz-Gilmore Foundation: it was used to implement a large scale marketing campaign.¹¹⁸

Selected members of the Board (including Condon and Pittman) were privy to Papp's thinking about succession issues. Nonetheless, Papp was making the decisions. "Joe was still in charge. There was no sense of panic; it was not in the Board's nature. Joe was Joe. He had always provided the leadership," according to Condon. The lack of urgency was due in part to the confusion surrounding Joe's health.

¹¹⁵ Gussow, M., 1990, Other ways at the Shakespeare Festival, *The New York Times* (June 17): 5.

¹¹⁶ Witchel, A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C14

¹¹⁷ The 1991 scheduled season included 8 major productions: Shakespeare's *Pericles*, to be directed by Michael Greif; Brecht's *Jungle of the Cities*, a co-production with Mabou Mines directed by Anne Bogart; Genet's *Four Hours in Shatila*, about the 1982 massacre in a Palestine refugee camp; Dario Fo's *Story of the Tiger*, an "anti-Maoist" piece; *Before It Hits Home*, a co-production with the Second Stage about AIDS and a black family; Lorca's *Blood Wedding*; John Ford's *'Tis a Pity She's a Whore*, to be directed by Akalaitis, and a solo performance artist series to be curated and produced by George Wolfe. (Witchel, A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C11 - C14). Three more Shakespeare productions were tentatively scheduled for the summer season. Two were produced.

¹¹⁸ Condon, Larry, 1993, Interview with the Katherine Schlesinger, June 17



No one expected him to decline so rapidly. There wasn't an opportunity to think about artistic and administrative leadership in terms of a vision. There was no systematic planning for succession, and no time for a shared effort to deal with the issues.

In 1991, Papp assembled an Executive Advisory Committee "to ensure some continuity to the institution." Members included Kevin Kline, Robin Wagner and Gerald Freedman; all "members of the Shakespeare Festival family." The advisory committee "will be comprised of the old guard who have worked with the Festival and have a grasp of its ongoing philosophy, who will be part of the continuum."¹¹⁹ Kline commented, "Joe's always been an admirer of JoAnne's work. Joe wants to let go of the reins, but he wants to make sure the horse doesn't go wild."¹²⁰

CONCLUSION: FINAL SUCCESSION OPTIONS

By Spring of 1991, the most articulated layout for succession was a co-equal management arrangement with Akalaitis as Artistic Director, in charge of artistic decision-making and fund-raising, and Jason Steven Cohen as Managing Director,¹²¹ presiding over management and administration of the Festival. Cohen was the NYSF's Associate Producer and a twenty year veteran of the organization. He described himself as Papp's aide-de-camp. Papp would mentor Akalaitis during the transition. Contracts for Akalaitis and Cohen were prepared.¹²²

In June, 1991 Papp "met informally with two trustees, Condon and Higgins," and spoke to a third, Pittman on the telephone,¹²³ to voice his desire to bring in an articulate, non-artistic person who could be a producer and fund-raiser. Together with Akalaitis and Cohen, the new Executive Producer would form an executive troika. The plan was brought to the Board, Akalaitis and Cohen by a selected group of younger trustees, as Papp was too ill to present it in person. Akalaitis and Cohen opposed the plan.¹²⁴

¹¹⁹ Kline, Kevin, Quoted in Witchel A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C14

¹²⁰ Hoban: 4 7.

¹²¹ Witchel, A., 1991, Papp names Akalaitis new head of festival, *The New York Times*, Aug. 21: C11

¹²² Condon, Larry, 1993, Interview with the Katherine Schlesinger, June 17

¹²³ This was his last meeting with the trustees (Papp, Gail Merrifield, 1993, Letter to Anthea Raymond, Oct. 2) .

¹²⁴ Papp, Gail Merrifield, 1993, Interview with the Katherine Schlesinger, March 18;

Papp, Gail Merrifield, 1993, Interview with Anthea Raymond.



Joseph Papp, already absent from his duties at the NYSF for several months, needed to be make a decision soon. Which ever option was pursued, he wanted to be there to usher it in properly, and see the organization through the transition.



APPENDICES AND EXHIBITS



Appendix A:

Exhibits



Exhibit 1: NYSF Sources of Revenue 1989-1991

	1989*	1990*	1991*
Contributions, gifts, grants, and similar amounts received:			
Individual	1,262,475	1,974,754	633,456
Foundation and Trust Grants	772,631	2,053,124	3,963,168
Corporate and Business Grants	1,331,510	703,617	751,566
NEA Grants	426,000	398,500	0
NY State	424,900	411,000	290,600
Municipal	1,016,897	1,053,693	673,733
Other	0	0	63,750
Total Revenue:			
Individual, Foundation, Corporations	3,366,616	4,731,495	5,348,190
Government Support	1,867,797	1,863,193	1,028,083
Regular Programming	2,806,833	2,064,021	1,379,387
Extended Programming	9,482,403	7,453,237	0
Royalties	491,526	632,874	2,179,778
Interest	1,274,245	849,787	1,087,471
Sale of Assets	0	156,310	1,746,290
Management Fees	4,453,439	1,138,829	0
Concessions	429,728	376,464	338,093
Fund Transfers (Endowment)	2,713,843	4,297,540	4,471,657
<i>Total Support and Revenues (Less Fund Transfers)</i>	21,458,744	19,266,210	13,107,292
Revenue Sources as a percentage Total Revenues			
Individual	5%	8%	4%
Foundation	3%	9%	23%
Corporate and Business Grants	6%	3%	4%
Government Support	8%	8%	6%
Regular Programming	12%	9%	8%
Extended Programming	39%	32%	0%
Royalties	2%	3%	12%
Interest	5%	4%	6%
Sale of Assets	0%	1%	10%
Management Fees	18%	5%	0%
Concessions	2%	2%	2%
Fund Transfers (Endowment)	11%	18%	25%

* Fiscal Year ending August 31

Sources: IRS, Form 990, Part 1, NYSF 1989, 1990, 1991



Exhibit 2: NYSF Financial Summaries, Years Ending 6/30/77 and 6/30/83

	1977*	1983*
Support and Revenue:		
Direct public support	957,310	1,691,954
Indirect public support	0	0
Government Grants	1,242,614	1,059,084
Program service revenue	28,605,023	32,081,041
Other revenue	2,653,211	5,325,457
Total support and revenue	33,458,158	40,157,536
Expenses:		
Total Performances/Programs	29,751,775	35,804,881
Management and general	1,004,536	2,621,746
Fund raising	82,101	163,927
Other expenses	0	104,844
Total expenses	30,838,412	38,695,398
Excess (deficit) of support and revenue over expenses	2,619,746	1,462,138
Summary of Balance Sheet as of June 30		
Assets	1,497,008	22,845,591
Liabilities	13,988	1,192,688
Fund balances	1,483,020	21,652,903

Sources: Annual Report - Charitable Organizations, New York State Department of State,, NYSF 1977, 1983



Exhibit 3: NYSF Functional Expenses 1989- 1991

1989 Functional Expenses (Fiscal year ending August 31)	Program services	Management and general	Fund raising	Total
Grants and allocations	12,866			\$12,866
Compensation of officers, directors, etc.	257,100	37,800	5,100	\$300,000
Other salaries and wages	9,296,239	1,370,634	170,667	\$10,837,540
Payroll Tax	2,319,906	487,874	59,452	\$2,867,232
Occupancy	1,307,174	371,483	25,347	\$1,704,004
Depreciation, depletion, etc.	174,875	74,627	5,092	\$254,594
Royalties, Advertising and Promotion	610,367	0	0	\$610,367
Advertising and Promotion	2,192,205	0	0	\$2,192,205
Other Production Expenses	3,502,198	1,276,767	178,366	\$4,957,331
Total Functional Expenses	\$19,672,930	\$3,619,185	\$444,024	\$23,736,139
<i>As a percentage of total Functional Expenses</i>	83%	15%	2%	

1990* Functional Expenses (Fiscal year ending August 31)	Program services	Management and general	Fund raising	Total
Grants and allocations	15,695			\$15,695
Compensation of officers, directors, etc.	249,992	43,894	6,114	\$300,000
Other salaries and wages	7,865,914	1,381,103	192,386	\$9,439,403
Other employee benefits	1,869,627	382,614	54,993	\$2,307,234
Payroll Tax	335,081	68,573	9,856	\$413,510
Occupancy	1,267,926	426,468	36,555	\$1,730,949
Depreciation, depletion, etc.	151,613	85,588	7,337	\$244,538
Royalties, Advertising and Promotion	764,807	0	0	\$764,807
Advertising and Promotion	2,014,533	0	0	\$2,014,533
Other Production Expenses	4,047,670	1,170,947	303,522	\$5,522,139
Total Functional Expenses	\$18,582,858	\$3,559,187	\$610,763	\$22,752,808
<i>As a percentage of total Functional Expenses</i>	82%	16%	3%	



Exhibit 3: NYSF Functional Expenses 1989- 1991 (Contd.)

1991* Functional Expenses (Fiscal year ending August 31)	Program services	Management and general	Fund raising	Total
Grants and allocations	4,007			\$4,007
Compensation of officers, directors, etc.	209,892	80,948	9,160	\$300,000
Other salaries and wages	3,628,634	1,399,442	158,366	\$5,186,442
Other employee benefits	815,140	296,408	35,576	\$1,147,124
Payroll Tax	410,080	149,117	17,897	\$577,094
Occupancy	681,482	329,750	87,933	\$1,099,165
Depreciation, depletion, etc.	168,705	81,632	21,768	\$272,105
Royalties	35,588	0	0	\$35,588
Advertising and Promotion	644,436	1,438	186,821	\$832,695
Other Production Expenses	2,634,918	1,252,512	598,835	\$4,486,265
Total Functional Expenses	\$9,232,882	\$3,591,247	\$1,116,356	\$13,940,485
<i>As a percentage of total Functional Expenses</i>	66%	26%	8%	

Note 13: Functional Allocation of Expenses

The cost of providing the various programs and the supporting services have been summarized on a functional basis in the statement of revenue, expenses, public support, capital additions and changes in fund balances, and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.



Exhibit 4: NYSF Notes 10, 11 and 12 to the Financial Statements August 31, 1991

Note 10: Box Office Income

Box office income consists of the following:

	1991	1990
Regular Programming	\$1,379,387	\$2,064,021
Extended Programming	-----	\$7,453,237
Total	\$1,379,387	\$9,517,258

Note 11: Subsidiary Rights and Television Productions

The New York Shakespeare Festival participates in the proceeds of certain subsidiary rights which are controlled by the authors of the productions. The revenue generated from these productions consists of the following:

	1991	1990
<i>A Chorus Line</i>	\$1,920,042	\$272,444
<i>Pirates of Penzance</i>	\$74,567	128,572
<i>Colored Museum</i>	40,938	1,800
<i>Drood</i>	22,834	59,197
<i>Hair</i>	16,029	6,796
<i>The Secret Rapture</i>	13,657	10,127
<i>Cuba and His Teddy Bear</i>	3,960	89,993
Others	87,751	63,945
	\$2,179,778	\$632,874

Note 12: Management Fee and Other Reimbursed Expenses

In 1990, this revenue arose from fees paid and expenses reimbursed to the Festival relating to the Broadway productions of *A Chorus Line* and *The Secret Rapture*. In 1991, there were no Broadway productions generating revenue for the Unrestricted Operating Fund.



Exhibit 5:
NYSF Statement of Revenue, Expenses, Public Support, Capital Additions and Changes in Fund Balances - Year ending August 31, 1991 with comparative totals for 1990

	Unrestricted Operating Fund	Board Designated Reserve & Endowment Funds	Property & Equipment Fund	1991 Total All Funds	1990 Total All Funds (Note 1e)
Revenue (Excluding Public Support)					
Box office income (Note 10)	\$1,379,387	\$0	\$0	\$1,379,387	\$9,517,258
Royalties and subsidiary rights income (Note 11)	2,179,778	0	0	2,179,778	632, 874
Management fee and other reimbursed expenses (Note 12)	0	0	0	0	1,138,892
Concessions and miscellaneous	338,093	0	0	338,093	376,464
Interest and investment income*	20,532	2,813,229	0	2,833,761	1,006,097
Total Revenue	3,917,790	2,813,229	0	6,731,019	12,671,585
Less: Expenses					
Program Services (Note 2a)	\$9,060,170	0	168,705	9,228,875	18,567,163
Supporting Services					
Management and general	3,509,615	0	81,632	3,591,247	3,559,187
Fund raising	481,104	0	8,163	489,267	610,763
Marketing	613,484	0	13,605	627,089	0
Total Supporting Services	4,604,203	0	103,400	4,707,603	4,169,950
Grants to non-affiliated organizations	4,007	0	0	4,07	15,695
Total Expenses	13,668,380	0	272,105	13,940,485	22,752,808
Excess (deficiency) of revenue over expenses before public support and capital additions	(9,750,590)	2,813,229	(272,1050)	(7,209,466)	(10,081,223)
Public Support and Capital Additions					
Government agencies	1,028,083	0	0	1,028,083	1,863,193
Other grants and contributions	4,348,190	1,000,000	0	5,348,190	4,731,495
Total Public Support	5,376,273	1,000,000	0	6,376,273	6,594,688
Excess (deficiency) of revenue over expenses after public support and capital additions (carried forward)	(4,374,317)	3,813,229	(272,105)	(833,193)	(3,486,535)
Fund balances (deficit), September 1	(3,670,062)	18,487,713	1,048,974	15,866,625	19,353,160
Transfers					
For acquisition of property and equipment	(60,729)	0	60,729	0	0
Earnings of the Endowment Fund to Regular Programming Fund for general operations	2,813,229	(2,813,229)	0	0	0
Appropriation from the Board Designated Reserve Fund to cover operating deficits	2,982,974	(2,982,974)	0	0	0
Fund Balances (deficit), August 31	(\$2,308,905)	\$16,504,739	\$837,598	\$15,033,432	\$15,866,625

* Interest and investment income included realized gains of \$279,162 (1991) and \$1,310,818 (1990), unrealized gains of \$1,467,128 (1991) and unrealized loss of \$1,467,128 (1990).



Exhibit 6:
NYSF Statement of Total Programming Services - Year ending August 31, 1991 with
comparative totals for 1990

	Regular Programming						Extended Programming	Total Program Services
	Full Productions	Festival Latino	Free Shakespeare	Films	Playwriting in the Schools	Total Regular Programming		
Salaries	\$2,977,987	\$282,608	\$246,341	\$182,090	\$149,500	\$3,838,526		\$3,838,526
Payroll taxes and other benefits	950,544	78,630	90,206	58,121	47,719	1,225,220		1,225,220
Total Salaries and Related Expenses	\$3,928,531	\$361,238	\$336,547	\$240,211	\$197,219	\$5,063,746		\$5,063,746
Royalties	35,588					35,588		35,588
Advertising and Promotion	333,436	173,798	32,931	84,995	19,276	644,436		644,436
Occupancy Expenses	439,666	131,900	54,958	32,975	21,983	681,482		681,482
Other production expenses and remaining operating expenses	1,211,198	975,938	316,755	95,766	35,261	2,634,918		2,634,918
Total expenses before depreciation	\$5,948,419	\$1,642,874	\$741,191	\$453,947	\$273,739	\$9,060,170		\$9,060,170
Depreciation	108,842	32,653	13,605	8,163	5,442	168,705		168,705
Total Expenses, 1991	\$6,057,261	\$1,675,527	\$754,796	\$462,110	\$279,181	\$9,228,875		\$9,228,875
Total Expenses, 1990	\$6,697,260	\$1,503,832	\$1,773,890	\$513,689	\$287,365	\$10,776,036	\$7,791,127	\$18,567,163



Exhibit 7:
NYSF Statement of Functional Expenses - Year ending August 31, 1991 with comparative totals for 1990

	Total Program Services	Supporting Services				1991 Total All Funds	1990 Total All Funds
		Management and General	Fund Raising	Marketing	Total		
Salaries	\$3,838,526	\$1,480,390	\$167,526	-----	\$1,647,916	\$5,486,442	\$9,739,403
Payroll taxes and other benefits	1,225,220	445,525	53,473	-----	498,998	1,724,218	2,720,744
Total Salaries and Related Expenses	\$5,063,746	\$1,925,915	\$220,999	-----	\$2,146,914	\$7,210,660	\$12,460,147
Royalties	35,588					35,588	764,807
Advertising and Promotion	644,436	1,438	1,222	185,599	188,259	832,695	2,014,533
Occupancy Expenses	681,482	329,750	32,975	54,958	417,683	1,099,165	1,730,949
Other production expenses and remaining operating expenses	2,634,918	1,252,512	225,908	372,927	1,851,347	4,486,265	5,222,139
Total expenses before depreciation	\$9,060,170	\$3,509,615	\$481,104	\$613,484	\$4,604,203	13,664,373	\$22,492,575
Depreciation	168,705	81,632	8,163	13,605	103,400	272,105	244,538
Total Expenses, 1991	\$9,228,875	\$3,591,247	\$489,267	\$627,089	\$4,707,603	\$13,936,478	
Total Expenses, 1990	\$18,567,163	\$3,559,187	\$610,763	-----	\$4,169,950		\$22,737,113



Exhibit 8:
NYSF Statement of Cash Flows - Year ending August 31, 1991 with comparative totals for
1990
(a) Increase (decrease) in cash

	Unrestricted Operating Fund	Board Designated Reserve and Endowment Fund			
Cash received from earned revenues	\$3,865,711	-----	-----	\$3,865,711	\$11,779,710
Cash received from public support	5,179,323	\$1,000,000	-----	6,179,323	6,902,944
Cash used from program and supporting services	(13,476,494)	-----	-----	(13,476,494)	(22,665,243)
Investment income received	20,532	1,058,761	-----	1,079,293	1,243,845
Net Cash Provided (Used) by Operating Activities	(\$4,410,928)	\$2,058,761	-----	(\$2,352,167)	(\$2,738,744)
Acquisition of property and equipment	(\$60,729)	-----	-----	(\$60,729)	(\$253,173)
Net proceeds from sales of investments	-----	\$2,412,896	-----	\$2,412,896	2,991,917
Net Cash Provided (Used) by Investing Activities	(\$60,729)	\$2,412,896	-----	\$2,352,167	\$2,738,744
Cash Flow from Financing Activities --Interfund transfers	\$4,471,657	(\$4,471,657)	-----	-----	-----
Net Increase (Decrease) in cash	-----	-----	-----	-----	-----
Cash, September 1, 1990	-----	-----	-----	-----	-----
Cash, August 31, 1991	-----	-----	-----	-----	-----



Exhibit 8 (contd.):

NYSF Statement of Cash Flows - Year ending August 31, 1991 with comparative totals for 1990

(b) Reconciliation of excess (deficiency) of revenue over expenses after public support and capital additions to net cash provided (used) by operating activities

	Unrestricted Operating Fund	Board Designated Reserve and Endowment Fund			
Excess (deficiency) of revenue over expenses after public support and capital additions	(\$4,374,317)	\$3,813,229	(\$272,105)	(\$833,193)	(\$3,486,535)
Adjustments to reconcile excess (deficiency) of revenue over expenses after public support and capital additions to net cash provided (used) by operating activities					
Depreciation	-----	-----	\$272,105	\$272,105	\$244,538
Realized gains on investments	-----	(\$279,162)	-----	(\$279,162)	(1,310,818)
Unrealized (gain) losses on investments	-----	(1,467,128)	-----	(1,467,128)	1,467,128
Increase) decrease in:					
Receivables	(\$58,634)	(8,178)	-----	(66,832)	305,957
Prepaid expenses and other current assets	300,451	-----	-----	300,451	(23,107)
Grants and contributions receivable	(47, 159)	-----	-----	(47, 159)	574,489
Bonds and deposits	121, 969	-----	-----	121, 969	(2,901)
(Decrease) in:					
Cash overdraft	(93,596)	-----	-----	(93,596)	(96, 832)
Accounts payable and other current liabilities	(78,284)	-----	-----	(78,284)	(34,133)
Deferred revenue	(31,547)	-----	-----	(31,547)	(110,297)
Deferred grants and contributions	(149,791)	-----	-----	(149,791)	(266,233)
Net cash provided (used) by operating activities	(\$4,410,928)	\$2,058,761	-----	(\$2,352,167)	(\$2,738,744)



Appendix B:

NYSF Program Highlights, 1954-1988



Appendix B:

NYSF Program Highlights, 1954-1988 (Contd.)



Appendix C:

Public Theater Pass-Holder Flyer, 1985



Appendix D:
NYSF & Joseph Papp Broadway Productions, Film and Television Projects & Awards

Broadway Productions*	Theater	Opening Date	Closing Date
<i>Hair</i> (Michael Butler Production, licensed)	Biltmore	Apr. 27 1968	
<i>No Place to Be Somebody</i>	Regional Theater Festival	Dec. 30, 1969	
<i>The Two Gentlemen of Verona</i>	St. James	Oct. 30, 1971	May 20, 1973
<i>Sticks and Bones</i>	Golden	Mar. 1, 1972	Oct. 1, 1972
<i>That Championship Season</i>	Booth	Sep. 15, 1972	Nov. 25, 1973 (297 performances)
<i>Much Ado About Nothing</i>	Winter Garden	Nov. 11, 1972	Feb. 11, 1973
<i>A Chorus Line</i>	Shubert	Jul. 25, 1975	April 28, 1990 (15 years; Became the longest running Broadway show in 1983)
<i>The Leaf People</i>	Booth	Oct. 2, 1975	Oct. 26, 1975
<i>for colored girls who have considered suicide/when the rainbow is enuf</i>	Booth	Sep. 10, 1976	(295 performances)
<i>Miss Margarida's Way</i>	Ambassador	Sep. 16, 1977	
<i>The Water Engine</i>	Plymouth	Mar. 7, 1978	Apr. 1978
<i>Paul Robeson</i>	Booth	Mar. 12, 1978	
<i>Pirates of Penzance</i>	Uris	Jan. 8, 1981	Nov. 28, 1982
<i>Plenty</i>	Plymouth	Jan. 6, 1983	March 27, 1983
<i>The Human Comedy</i>	Royale	Apr. 15, 1984	
<i>The Mystery of Edwin Drood</i>	Imperial	Dec. 2, 1985	May 16, 1987
<i>Cuba and His Teddy Bear</i>	Longacre	Mar. 17, 1986	July 16, 1986 (limited run)
<i>As You Like It</i>	Belasco	Sep., 1986	May, 1987
<i>Romeo and Juliet</i>	(All three plays were part of the Shakespeare on Broadway series)		
<i>Macbeth</i>			
<i>Serious Money</i>	Royale		
<i>Cafe Crown</i>	Brooks Atkinson		
<i>A Secret Rapture</i>	Ethel Barrymore	Oct. 27, 1989	Nov. 4, 1989

* Source: (a) Horn, Barbara, 1992, *Joseph Papp A Bio-Bibliography*. New York: Greenwood Press: 319 -322



(b) Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



Appendix D (Contd.):

Film and Television Productions*	Year	Film/TV Company
<i>The Merchant of Venice,</i>	1962	CBS
<i>Anthony and Cleopatra,</i>	1963	CBS
<i>Hamlet,</i>	1964	CBS
<i>King Lear,</i>	1973	WNET
<i>Much Ado About Nothing,</i>	1973	CBS, PBS, BBC
<i>Sticks and Bones,</i>	1973	CBS
<i>Wedding Band,</i>	1974	ABC
<i>Happy Days,</i>	1979	Channel 13
<i>Kiss Me Petruchio,</i>	1979	BBC and PBS
<i>Haggadah,</i>	1981	PBS
<i>The Dance and the Railroad,</i>	1981-1982	ABC-Cable
<i>Alice at the Palace,</i>	1982	NBC
<i>Swan Lake, Minnesota,</i>	1982-1983	ABC-Cable
<i>The Pirates of Penzance(The Film),</i>	1982-1983	
<i>A Midsummer Night's Dream,</i>	1982-83	ABC-Cable.
<i>Rehearsing Hamlet,</i>	1983	ABC-Cable
<i>Plenty (The Film),</i>	1985	RKO Pictures
<i>Hamlet,</i>	1990	WNET

* Source: Horn, Barbara, 1992, *Joseph Papp A Bio-Bibliography*. New York: Greenwood Press: 319 -322



Appendix D (Contd.):

Film or Video Productions of Properties Originally Produced by NYSF*	Year	Film/TV Company
<i>Hair</i>	1979	United Artists Release
<i>That Championship Season</i>	1982	The Cannon Group.
<i>Streamers</i>	1982	A Robert Altman Film
<i>A Chorus Line (The Film)</i>	1985	Embassy Films
<i>Dead End Kids: A Story of Nuclear Power</i>	1986	Mabou Mines and Ikon Films
<i>Talk Radio</i>	1988	Cineplex Odeon Films
<i>The Colored Museum,</i>	1991	WNET

* Source: Horn, Barbara, 1992, *Joseph Papp A Bio-Bibliography*. New York: Greenwood Press: 319 -322



Appendix D (Contd.):

Awards*	Comments	Year	Awarded to
Tony Award	Special Tony Award "for presenting free performances in Central Park and the Hecksher Theater"	1958	NYSF
Tony Award	2 nominations including Best Musical 1969	1969	<i>Hair</i>
Tony Award	Special Tony Award "for pioneering efforts on behalf of new plays."	1970	NYSF Public Theater
Pulitzer Prize		1970	<i>No Place to be Somebody</i>
Tony Award	4 nominations won 2, including Best Play over Neil Simon's <i>The Prisoner of Second Avenue</i> , Pinter's <i>Old Times</i> and Robert Bolt's <i>Vivat! Vivat! Regina!</i>	1972	<i>Sticks and Bones</i>
Tony Award	9 nominations, won 2, including Best Musical Play over <i>Folies</i> , <i>Grease</i> and <i>Ain't Supposed to Die a Natural Death</i> . Michael Bennett won Best Choreographer and with Harold Prince won Best Director.	1972	<i>Two Gentlemen of Verona</i>
Tony Award	7 nominations including A. J. Antoon nominated as Best Director. First time in contention via Delacorte-to-Broadway transfer..	1973	<i>Much Ado About Nothing</i>
Tony Award	5 nominations A. J. Antoon nominated as Best Director. Won 2, including Best Play over Neil Simon's <i>The Sunshine Boys</i> , <i>Butley</i> and <i>The Changing Room</i>	1973	<i>That Championship Season</i>
Pulitzer Prize		1973	<i>That Championship Season</i>
Tony Award	4 nominations including Best Play. First year in contention from Lincoln Center.	1973	<i>The Au Pair Man</i>
Tony Award	3 nominations including Best Play.	1974	<i>Boom Boom Room</i>
Tony Award	2 nominations.	1975	<i>Black Picture Show</i>
Tony Award	1 nomination for Best Play.	1975	<i>Short Eyes</i>
Tony Award	2 nominations, won 1.	1976	<i>Mrs. Warren's Profession</i>
Tony Award	2 nominations, won 1.	1976	<i>Mrs. Warren's Profession</i>
Tony Award	3 nominations.	1976	<i>Trelawny of the Wells</i>



Tony Award	11 nominations, won 8 including Best Musical, Best Director of a Musical (Michael Bennett), Best Choreographer (Michael Bennett and Bob Avian), Best Book (James Kirkwood and Nicholas Dante), Best Score for a Musical (Marvin Hamlisch--music-- and Edward Kleban--lyrics) and Best Actors in Featured Roles in a Musical (Carole 'Kelly' Bishop and Sammy Williams).	1976	<i>A Chorus Line</i>
------------	---	------	----------------------

Appendix D (Contd.):

Awards* (Contd.)	Comments	Year	Awarded to
Pulitzer Prize		1976	<i>A Chorus Line</i>
Tony Award	4 nominations including Most Innovative Production of a Revival	1977	<i>The Cherry Orchard</i>
Tony Award	5 nominations including Most Innovative Production of a Revival	1977	<i>Threepenny Opera</i>
Tony Award	2 nominations including Best Play, won 1.	1977	<i>for colored girls who have considered suicide/when the rainbow is enuf</i>
Tony Award	2 nominations including Best Play.	1977	<i>Streamers</i>
Tony Award	Won 1 Tony.	1978	<i>Miss Margarida's Way</i>
Tony Award	5 nominations including Best Musical.	1978	<i>Runaways</i>
Tony Award	6 nominations, won 3 including Best Outstanding Reproduction of a Musical, Outstanding Director of a Musical (Wilford Leach) and Outstanding Performance by an Actor in a Musical (Kevin Kline).	1981	<i>The Pirates of Penzance</i>
Tony Award	4 nominations including Best Play	1983	<i>Plenty</i>
Tony Award	Special Gold Tony for the longest running show in Broadway history.	1984	<i>A Chorus Line</i>
Tony Award	9 nominations, won 5 including Best Musical, Best Direction of a Musical (Wilford Leach), Best Book of a Musical (Rupert Holmes), Best Original Score--music and lyrics, Best Actor in a Musical (George Rose).	1986	<i>The Mystery of Edwin Drood</i>

* Source: Papp, Gail Merrifield, Letter(with attachments) to Daniel Mitchell, March 24. 1995



Appendix E:

The NYSF Board of Trustees as of August 31, 1984

LuEsther Mertz	Chairman
Joseph Papp	President
Samuel Parkman Peabody	1st Vice President
George T. Delacorte	2nd Vice President
Stanley H. Lowell	Secretary/Treasurer
Joan Daly/Robert Montgomery	Attorneys
Ivan Boesky	
James Brigham, Jr.	
Florence Brody	
Joan Davidson	
Leo Fidler	
Aaron Frosh	
Paul Martinson	
Roger Mehle	
Bess Meyerson	
Mrs. Samuel I. Newhouse	
Arthur Shiff	
Henry Taub	

The NYSF Board of Trustees as of August 31, 1990

LuEsther Mertz	
Joseph Papp	President
Judy Peabody	Vice President
Stanley H. Lowell	Secretary Treasurer
Aida Alvarez	First Boston Corp.
James Brigham, Jr.	Diagraph Corp.
Florence Brody	(Mrs. Martin Brody)
Larry Condon	Joyce Mertz Gilmore Foundation
Joan Davidson	J. M. Kaplan Foundation
George T. Delacorte	GTD Holdings
H. Scott Higgins	Lehman Management Co., Inc.
Ruth Houghton	
Raul Julia	
Paul Martinson	
Roger Mehle	Royer, Shacknai & Mehle
Mike Nichols	
Lawrence Oshen	Goldman, Sachs & Co.
Sheila Schwartz	
Gil Shiva	
Meryl Streep	
Henry S. Taub	
Andrew H. Tisch	



Appendix E (Contd.):

The NYSF Board of Trustees as of as of August 31, 1991

Robert Pittman	Time Warner Enterprises	Chairman
Joseph Papp		President
Judy Peabody		Vice President
Stanley H. Lowell		Secretary/Treasurer
Aida Alvarez	First Boston Corp.	
James Brigham, Jr.	Diagraph Corp.	
Florence Brody	(Mrs. Martin Brody)	
Larry Condon	Joyce Mertz Gilmore Foundation	
Joan Davidson	J. M. Kaplan Foundation	
Gordon Davis		
H. Scott Higgins	Lehman Management Co., Inc.	
Ruth Houghton		
Raul Julia		
Paul Martinson		
Lawerence Oshen	Goldman, Sachs & Co.	
Gil Shiva		
Henry S. Taub		
Andrew H. Tisch		

Sources: Annual Financial Report(Charitable Organization), Form 990 Part VI, 1984, 1990 & 1991



Appendix F:

Shakespeare Marathon Subscription Series Flyer, 1987